



ADMINISTRATIVE OFFICE OF THE COURTS

FINANCE DIVISION

TRIAL COURT FINANCIAL POLICIES AND PROCEDURES MANUAL 7th EDITION

Policy No., FIN 11.01, Audits

EXECUTIVE SUMMARY OF UPDATE

POLICY ISSUE(S)

The revisions were made to; ensure compliance with statute, clarify the definition of 'performance audits', and clarify discretionary reporting of audits/reviews/consulting engagements to the AOC Manager of Internal Audit Services (IAS).

Significant Revisions

1. Where statutes are cited, changes were made to ensure that the wording complies with the statute.
2. Sub-section 6.1.1. 'Performance issues' was changed to 'performance to approved standards.' IAS does not establish performance standards that the court must or may comply with. Once standards have been approved by the appropriate party, IAS will audit to those approved standards.
3. Sub-section 6.1.2 Paragraph 4. The discretionary reporting to the IAS Manager of the state's intent to conduct an audit or review of the court was changed to mandatory. If the State Controller's Office (SCO), Bureau of State Audits (BSA), or other state entities decide to audit/review the court, this could be mitigated by IAS work or possibly it could be done by IAS. It also ensures that IAS' schedule for the court gets adjusted if necessary.
4. Sub-section 6.1.4. The discretionary reporting to the IAS Manager of a courts intention to contract to have an audit/review/consulting engagement of the court was changed to a mandatory notice. Similar to point 3 above, IAS may be able to provide guidance, or assist/conduct the work.

5. Sub-section 6.2.2 Performance Audits Paragraph 2. There has been confusion concerning the technical audit term 'performance audits.' Government Auditing Standards issued by the GAO explains that the term covers a wide range of types of audits covered in Paragraph 1 of Sub-section 6.2.2. Paragraph 2 provides specificity concerning the fact that IAS does not establish the standards, but will evaluate programs based on existing or established standard.
6. Sub-section 6.4.1 Exit Meeting. Updated to provide a discussion of the frequency with which Internal Audit would update the court on potential issues being identified during the audit. The frequency of update and who is updated is determined by each court. Additionally, as the CEAC Audit Program Working Group approved a timeline relating to audit issues and meetings, a link to the approved timeline was provided to allow quick access to the Serranus site containing the timeline.